

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Industrial Promotion – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2010-15 to M/s NSL Fertilizer Ventures Pvt. Ltd, Mallavalli (V), Bapulapadu (M), Krishna district for their proposed Green Field Urea Plant – Orders- Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No. 146

**Dated:23-10-2012
Read the following:-**

1. From the Chairman, M/s NSL Fertilizer Ventures Pvt Ltd Letter No. Nil, dated. 17.02.2012 & 09.03.2012
2. Memo No. 3796/IP/A2/2012 of Inds. & Comm. (IP) Department, dt. 09.03.2012.
3. The State Investment Promotion Committee Meeting held on 16.06.2012
4. The State Investment Promotion Board Meeting held on 27.06.2012

>><<

O R D E R:-

In the reference 1st read above, the Chairman of M/s NSL Fertilizer Ventures Pvt Ltd has informed that they proposed to setup a Green Field Urea Plant at Mallavalli (V), Bapulapadu (M), Krishna district with an investment of Rs.5325 Crores.

2. The Chairman in his letter further stated that the unit will create employment to 5000 people directly & indirectly and requested for the following benefits:

- (a) Allotment of 1460 Acres of Government land in Mallavalli Village, Bapulapadu Mandal in Krishna District.
- (b) Recommendation from GoAP to the Ministry of Petroleum & Natural Gas and also to the Ministry of Fertilizer for allotment of 2.5 MMSCMD of Gas for the proposed project.
- (c) Waiver of land conversion fee and Exemption from ceiling under APLR (COAH) Act 1973.
- (d) Waiver of stamp duty for registration of land and on transfer of land.
- (e) Reimbursement /Waiver of VAT/CST for 15 years.
- (f) Exemption from Electricity Tax/Duty for 5 years from the date of commencement of commercial production.
- (g) Power incentive of Rs 2.00 per unit consumed during construction.
- (h) Environment protection infrastructure subsidy of 25% of capital cost.
- (i) Exemption from works contract tax, input taxes
- (j) Helping in evacuation of surplus power under open access system.
- (k) Recommending to Government of India for waiving 100% of Income tax, Central Services Tax for a period of 15 years (both on Capital Goods and Services required to set up the project as well as from production and plant operation).
- (l) Allotment of 0.5 TMC (30 MLD) of water from Eluru canal And laying of pipeline up to the project site.
- (m) Construction of approach roads to the project site.

(Contd..)

- (n) Construction of Railway line (about 10 KMs) to connect the land from the Howrah Chennai railway line passing close by.
- (o) Supply of power through a 220KV power line upto the project site.

3. In the reference 3rd read above, State Investment Promotion Committee (SIPC) have discussed the above proposal in its meeting held on 16.06.2012 and decided to place the matter before the State Investment Promotion Board (SIPB) with the following recommendations :

- (a) With regard to land, APIIC has been advised to process the Alienation proposals to Government if land is available, otherwise to advise the company to go for private land.
- (b) 50% VAT & CST reimbursement for a period of 5 years from date of commencement of commercial production (DCP).
- (c) All other incentives as per IIPP 2010-15 policy.

4. In the reference 4th read above, State Investment Promotion Board in its meeting held on 27.06.2012 discussed the proposal in detail and decided to extend the following incentives to the Company:

- (1) 50% VAT & CST reimbursement for a period of 5 years from date of commencement of commercial production (DCP).
- (2) All other incentives as per IIPP 2010-15 policy.
- (3) With regard to Land, APIIC informed that they have identified land which is classified as Forest land and not possible to alienate such land. After detailed discussions, the Board decided to advise the Company to acquire private land on their own.

5. Government after careful examination of the proposal and recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s NSL Fertilizer Ventures Pvt Ltd, Krishna district for their proposed Green Field Urea Plant with an investment of Rs.5325 crores as decided by the State Investment Promotion Board under Industrial Investment Promotion Policy 2010-2015

- I. 50% VAT & CST reimbursement for a period of 5 years from date of commencement of commercial production (DCP).
- II. All other incentives as per IIPP 2010-15 policy, which include:
 - (a) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use.
 - (b) 100% reimbursement of Stamp duty for mortgages and hypothecations.
 - (c) Fixed power cost reimbursement @ Rs.0.75 per unit (upper ceiling) on the rates of (2010-11) for 5 years from the date of commencement of commercial production. In case, decrease in Power Tariff, the reimbursement will be reduced proportionately.
 - (d) Infrastructure like roads, power and water will be provided at door step of the industry for standalone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs.1.00 Crore, subject to (a) the location should be beyond 10 kms from the existing Industrial Estates/IDA's having vacant land/shed for allotment and (b) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry.

(Contd..)

(e). 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.

III. The company is advised to acquire private land on their own, as the land identified in Mallavalli (V), Bapulapadu (M), Krishna district is classified as Forest land and not possible to alienate such lands.

6. The Industry shall provide at least 80% of employment to the candidates belonging to Andhra Pradesh State for becoming eligible to the above incentives.

7. The Commissioner of Industries, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

D.SREENIVASULU
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION(I/C)

To

The Commissioner of Industries, A.P., Hyderabad.
M/s NSL Fertilizer Ventures Pvt Ltd through the Commissioner of Industries, AP, Hyderabad.

Copy to:

The Revenue (CT) Department.
The Revenue (Registration) Department.
The Energy Department.
The Irrigation (Reforms) Department.
The Law (J) Department.
The Ind. & Com. (INF) Department.
The Accountant General, Andhra Pradesh, Hyderabad
The Commissioner of Commercial Taxes, Hyderabad
The Chairman & Managing Director, APTRANSCO., Hyderabad
The Managing Director, APSPDC Ltd., Tirupathi
The Vice Chairman & Managing Director, APIIC, Hyderabad.
The District Collector, Krishna District.
The General Manager, District Industries Centre, Krishna
P.S. to Principal Secretary to Chief Minister
P.S. to Hon'ble Minister(Major Industries)
P.S. to Chief Secretary to Government
P.S. to Principal Secretary to Government & CIP, I & C Dept.
SC/SF

//Forwarded::By::Order//

SECTION OFFICER